



DIB Bank Kenya
A subsidiary of Dubai Islamic Bank PJSC

TREASURY MARKET UPDATE 21ST MARCH 2022

DOMESTIC NEWS

The Kenya shilling was stable on Friday but is forecasted to weaken due to swelling dollar demand from commercial banks paying dividends to their foreign shareholders. Commercial banks quoted the shilling at 114.30/50 per dollar compared to Thursdays closed of 114.25/45.

In the commodities locally Tea prices at the Mombasa auction remained flat in the latest sale, forcing traders to offload most of the stocks during the trading. A kilogramme of the commodity plateaued at \$2.3 (Sh263), which is the same price that it fetched in the previous sale. This saw the volumes of tea that were not sold drop to 18 percent in the auction, down from 25 percent in the previous one.

Prices have been declining consistently in the last four weeks. This looks set to continue hurting incomes from one of Kenya's leading foreign exchange sources as the war in Eastern Europe rages.

Indicative Forex Rates

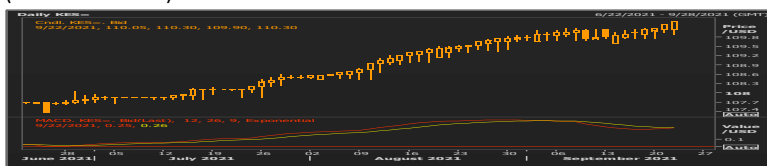
	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	110.90	117.90	112.40	117.40
GBP/KES	146.47	154.47	146.17	154.87
EUR/KES	121.90	129.80	122.70	130.20
AED/KES	29.65	32.65	29.15	33.15

Money Rates	Market	Current	Previous	Change
Interbank Rate		4.160%	4.280%	0.120
91-Day T-bill		7.252%	7.206%	0.046
182-Day T-Bill		8.093%	8.032%	0.061
364-Day T-Bill		9.763%	9.771%	0.080
Inflation		5.080%	5.390%	-0.310
CBR RATE		7.000%	7.000%	0.000

Source; Central Bank of Kenya)

LIBOR Rates	USD	JPY	GBP
6 Months	1.28757	0.04267	1.39110
12 months	1.78643	-	-

(Source: Reuters)



INTERNATIONAL NEWS

The dollar was up on Monday morning in Asia, recording slight gains on the Japanese yen to as much as 119.3 yen and challenging the six-year peak of 119.39 touched on Friday. The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.05% to 98.278 by 11:47 PM ET (3:47 AM GMT).

On the other hand the Euro was at 1.1044 against the dollar with the war in Ukraine defining the future of the single currency and the Pound. The expected speeches by the policy makers at ECB including the president Christine Lagarde later this week will also play a big role in the path taken by the two currencies.

In the commodities market Oil was up on Monday morning in Asia, jumping \$2 as Ukraine dug in against heavy attacks from Russia. Major oil producers are also struggling to produce their allotted quotas under a supply agreement.

Brent oil futures rose 3.08% to \$111.25 by 12:34 AM ET (4:34 AM GMT) after a 1.2% rise the previous Friday. WTI futures jumped 3.28% to \$106.47, extending the previous session's 1.7% jump.

Gold is down this morning, as the U.S. Federal Reserve's hawkish stance on monetary policy capped gains. However, safe-haven support came as fighting in Ukraine shows no sign of abating.

Gold futures were up 0.66% to \$1,671.75 by 12:56 PM ET (4:56 AM GMT). On Monday Ukraine rejected Russian calls to surrender the city of Mariupol, and there seems to be no end in sight to a conflict that began with Russia's invasion on Feb. 24.

Indicative Profit Rates on Deposits

	Amounts > 10 million		Amounts >100,000
	KES		USD
2 Weeks	6.00%	0.25%	
1 Month	6.25%	0.50%	
3 Months	6.50%	0.75%	
6 Months	6.75%	1.00%	
1 year	7.00%	1.25%	

Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0521	1.1330
GBP/USD	1.3010	1.3999
USD/AED	3.6423	3.6333
USD/JPY	114.27	119.27

For more details, contact our Treasury staff Mary, Bernard, Loryne Evelyn on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913351/54/55. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.